

# **NATIONAL CREDIT UNION ADMINISTRATION**

Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund

## **General Guidelines for Technical Assistance Grants for Credit Unions**

Student Internship Initiative -2006
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Opens: March 10, 2006

Closes when allocated  
funds are exhausted

1. Application
2. Instructions
3. Guidelines

***Eligible credit unions may apply for up to \$2,500.***

*National Credit Union Administration  
Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund  
1775 Duke Street  
Alexandria, Virginia 22314*

*National Credit Union Administration  
Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund*

<p>Application Student Internship Initiative - 2006</p>
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE NUMBER	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

\*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in the application.

Please read all instructions and guidelines thoroughly before completing the application.

Answer the following questions and attach separate sheets as necessary for your responses.

1. Describe how the internship will benefit the student.
2. Is the credit union working with a Partner credit union? If so, what is the name and address of the Partner?
3. How will the proceeds of the grant
  - a) improve the quality of financial services to members; or,
  - b) stimulate economic activities in the communities served by the credit union, and result in increase income, ownership, or employment?
4. How will the credit union measure
  - a) improvement in financial services to members; or,
  - b) economic activities in the communities served by the credit unions that have resulted in increased income, ownership, or employment?
5. If your credit union receives this grant from the CDRLF, what financial results do you expect to observe at the credit union? <sup>1</sup> (Note: Annual growth rates should be measured from September 2006 to September 2007.)

	Dollars	Percent
Annual growth in loans?	\$ _____	_____ %
Annual growth in shares?	\$ _____	_____ %
Annual growth in assets?	\$ _____	_____ %
Annual growth in net worth?	\$ _____	_____ %
	Number	Percent
Annual membership growth?	_____	_____ %

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<sup>1</sup> The success of the CDRLF's grant program is measured, in part, by the improvement in the financial condition of the credit unions that participate in the program. The credit union should fill in the table with anticipated growth rates based on receipt of the grant and completion of the project or activity. NCUA's measurement objectives are presented in the General Guidelines for 2006 Technical Assistance Grants, and reproduced here for ease of reference.

Annual growth in loans	<b>10.15%</b>
Annual growth in shares	<b>5.30%</b>
Annual growth in assets	<b>6.05%</b>
Annual growth in net worth	<b>8.50%</b>
Annual membership growth	<b>1.40%</b>

## Student Internship Application and Agreement Form

### To be completed by the student:

1. STUDENT NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. NAME OF COLLEGE/UNIVERSITY	
5. CITY, STATE, ZIP OF COLLEGE/UNIVERSITY	
6. CLASSIFICATION (FRESHMAN, SOPHOMORE, JUNIOR, SENIOR)	
7. MAJOR/AREA OF STUDY	
8. SIGNATURE*	
9. DATE	

\*BY SIGNING ABOVE, THE STUDENT CERTIFIES THAT HE/SHE (1) IS CURRENTLY ATTENDING THE COLLEGE OR UNIVERSITY LISTED IN NUMBER 4., ABOVE, AND (2) IS ENROLLED AT LEAST PART-TIME.

THE STUDENT ALSO AGREES TO (1) WORK AT LEAST 20 HOURS PER WEEK OVER A PERIOD OF 12 WEEKS, OR 60 BUSINESS DAYS AND (2) TO ABIDE BY THE POLICIES AND PROCEDURES OF THE CDRLF'S STUDENT INTERNSHIP INITIATIVE, AS EXPLAINED BY THE HOST CREDIT UNION.

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#### OTHER REQUIRED INFORMATION:

- A LETTER FROM YOUR COUNSELOR, ADVISOR, OR DEAN INDICATING THAT YOU ARE ENROLLED WITH AT LEAST PART-TIME STATUS.
- A RESUME OR LETTER THAT DESCRIBES YOUR WORK HISTORY IN BRIEF: GIVE DATES, NAME OF ORGANIZATION(S) AND DESCRIBE YOUR DUTIES.

YOUR APPLICATION AND OTHER MATERIALS SHOULD BE PROVIDED TO THE HOST CREDIT UNION.

## Certification of Business Days Worked Form

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. GRANT COMMITMENT NUMBER	
5. STUDENT NAME	
6. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
7. SIGNATURE	
8. DATE	

**I certify that the student intern worked at the credit union(s) for**  
**\_\_\_\_\_ weeks,**  
**\_\_\_\_\_ days per week, and**  
**\_\_\_\_\_ hours per day**  
**for a total of \_\_\_\_\_ hours ( not to exceed 480) in 2006.**

**Please reimburse the low-income designated Host credit union for costs associated with training the intern based on the total business days worked. \***

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 \* See the heading "How is reimbursement calculated?" in the Guidelines.

# **General Guidelines for Technical Assistance Grants for Credit Unions**

## **Student Internship Initiative-2006**

<b>Instructions</b>
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1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be [credit.union@ncua.gov](mailto:credit.union@ncua.gov)), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12. above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration  
Office of Small Credit Union Initiatives  
1775 Duke Street  
Alexandria, VA 22314

(703) 518-6610—phone  
(703) 519-4088—facsimile  
oscuiapps@ncua.gov—email

## Guidelines

### What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

### What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to:

- Improve the quality of financial services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

By applying for technical assistance grant funds, the credit union is committing to working toward the purpose of the CDRLF and the objective of a technical assistance grant.

### Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

## **How does the grant payment process work?**

Credit unions must apply for and be approved for a grant before making any expenditures.

After receiving a grant award letter, the credit union may purchase the goods or spend the funds, up to the amount approved.

The credit union must then submit a Certification of Business Days Worked form to NCUA for reimbursement.

All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.

## **What is the Student Internship Initiative?**

The Student Internship Initiative provides low-income designated credit unions an opportunity to introduce college students to credit unions and credit union operations. Having students work at credit union serves to recruit and develop the next generation of credit union managers.

The purpose of the Initiative is to introduce college students to the credit union philosophy through on-the-job training in credit unions. The Initiative encourages collaboration between credit unions, fosters mentoring, and develops human capital for the long-term safety, soundness, and sustainability of the credit union system.

The low-income credit union applicant may elect to identify and work with a partner credit union. In this case, both credit unions should provide hands-on experience for the intern in various areas of credit union operations. The low-income credit union is referred to as “The Host” and the partner credit union is referred to as “The Partner.” There is no requirement that the applicant credit union have a partner or that the partner credit union be low-income designated.

Grant funds are awarded to the low-income designated, or Host, credit union.

## **Which students are eligible to participate?**

To participate in the program, the student must be attending a college or university and be enrolled at least part-time. The student’s course of study should focus on accounting, information systems, marketing, business, finance, or other related area.

## How much money is available?

For 2006, NCUA has allocated \$55,000 to the Student Internship Initiative.

Low-income designated credit unions may apply for up to \$2,500 in grant funds under this initiative. Applications will be reviewed as they are received. Grants will be awarded based on the merit of the application, until funds are exhausted.

## What are allowable uses of grant funds?

This initiative is structured as a stipend. Grant funds are to be used by the credit union to defray the costs of the internship, such as training the student intern, student travel between credit unions, supplies, training materials, and photocopies.

Grant funds may not be used to pay salaries.

## How is reimbursement calculated?

Grant awards are pro-rated based on an 8-hour work day, over a period of 12 weeks, or 60 business days, not to exceed \$2,500. If the internship is terminated before the end of the 12-week period, the grant award will be pro-rated based on the number of days/hours actually worked.

Reimbursement is made at a rate of \$5.21 per hour worked by the intern, for a maximum reimbursement to the credit union of \$2,500.

## What are the application deadlines?

Application Open Date: March 10, 2006.

Application Closing Date: This initiative has no closing date. Grants awarded until allocated funds are exhausted.

## What is the method for evaluating the grant applications?

Applications will be evaluated based on financial and non-financial factors as listed below.

Financial factors include the following:

CAMEL Rating

Net Worth Ratio

Delinquency Ratio

Return on Assets Ratio.

Financial factors are used to determine the financial health and fitness of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners, and whether management has the ability and depth to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds.

## What information needs to be submitted with the grant application?

The following information must be submitted in order to consider your application complete.

1. Technical Assistance Grant application.
2. Student Internship Application and Agreement Form.
3. Letter or form from college or university indicating that student is enrolled at least part-time.
4. Resume or letter from student listing work experience.

## Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

## When will credit unions know about grant awards?

Applicants will be notified of the award decisions generally within 15 business days after OSCUI receives the application.

## What is the reporting requirement after receiving a grant?

The following information must be submitted with your request for reimbursement and within 60 days of completion of the internship. The time frame for submitting the evaluations and certification will be restated in the award letter.

1. Host Evaluation
2. Student Evaluation
3. Certification of Business Days Worked form

To fulfill one of the technical assistance grant conditions, **both** the credit union and the student must complete at the **conclusion of the internship** an independent evaluation of the program. This may be in any format, as long as it adequately provides an assessment of the program, as determined by each party.

Forms may be faxed to: (703) 519-4088

Forms may be emailed to: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)

## Is there anything that would cause an application to be immediately denied?

Yes.

1. Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.
2. TAG funds are generally not provided for recurring operational expenses such as salaries, rent, office occupancy or office supplies.
3. TAG funds may not be used to reimburse NCUA for any activity.

## How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314

Phone: (703) 518-6610  
Fax: (703) 519-4088  
Email: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)

### Guidelines for the Host Credit Union

The Host credit union will provide each student intern with an in-depth orientation of what is expected of them and what they are expected to learn about credit unions. The following areas should be covered during the orientation session:

- Explain what a credit union is and how the cooperative system works.
- Share the history and philosophy of credit unions.
- Share the history of *your* credit union. Explain its current structure, e.g., officers, volunteers, etc., and explain its relationship to the National Credit Union Administration.
- Explain your credit union's reasons for participating in the student internship program and highlight any possible employment benefits there, and in the credit union field that may be realized upon completion of the internship program.
- Define and explain in detail any employee policies and procedures that the intern **must** follow during the term of the internship, including procedures for taking time off, lunch, breaks and reporting in and leaving times. Since this is a short-term arrangement, it is expected that the interns will report for duty ready to work an 8-hour day, 5-day, or 40-hour week. In case of an emergency where the student needs to be off, the credit union must report the number of days the student was on duty and ready for work on the Certification of Business Days Worked Form. The grant award will be adjusted accordingly. This agreement must be discussed with the student during orientation or interview time.
- Explain the credit union's general office practices and how the interns should conduct themselves in the workplace with co-workers and in dealing with the public.
- Familiarize the interns with office procedures, such as where policies and procedures are located, whom to contact during emergencies, or any other topics relevant to the credit union's security procedures.

- Introduce interns to all staff members in the credit unions. Identify a mentor or other staff representative as a main contact for the intern.
- Explain that monitoring and evaluation will be ongoing and a Student Evaluation Form must be done at the conclusion of the internship.

The Host credit union will also:

- Agree to contact the college or university to select a student.
- Ensure that the student completes the necessary evaluation forms.
- Agree to designate a mentor or manager to supervise and monitor the intern's progress.
- Agree to partner with another credit union during the internship period.
- Agree to partner with only one student during the internship period.
- Designate the main path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored, and evaluated based upon their interests.
- Use the Checklists of Duties provided that detail the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally required in credit unions. If the plan does not cover all areas in the credit union, it can be modified to adequately cover all areas.

<h2 style="margin: 0;">Guidelines for the Partner Credit Union</h2>
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The Partner credit union agrees to:

- Partner with a Host credit union and the student selected by the Host credit union.
- Maintain contact with the Host credit union to monitor and discuss progress of intern.
- Designate a mentor or manager to supervise and monitor the intern's work.
- Designate the path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored and evaluated based upon their major courses and interests; and,
- Follow the Checklists of Duties that detail the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally performed in credit unions. If the plan does not cover all areas in the credit union, it can be modified.

## Examples of Duties for Student Intern

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

### **Lending and Collections**

#### **Types of Credit**

- Compound interest
- Open end loans
- Closed end loans
- Fixed rates
- Variable rates
- Simple interest

#### **Regulations**

- Regulation B
- Regulation Z
- Fair Credit Act

#### **Other**

\_\_\_\_\_

\_\_\_\_\_

#### **Loan Application**

- How to complete
- How to analyze

#### **Credit Bureau Report**

- Purpose for
- How to run
- Explanation of
- Interpretation of

#### **Collateral**

- Purpose of
- Types of
- Titles
- Liens
- How to use value books

#### **Debt to Income Ratio**

- Purpose
- How to calculate

#### **Loan Interviews**

#### **Payments and Terms**

- Guidelines for terms
- How to calculate payments

#### **Payment Options**

- Payroll deduction
- Automatic transfer

#### **Loan Closing**

- Verifications
- Completion of documents
- Set up on computer

#### **Policies**

#### **Loan Files**

- Location of
- How to maintain

#### **Adverse Action**

- Definition of
- Procedure for

#### **Collections**

- Bankruptcy
- Charge-offs
- Collection letters
- Extensions
- Foreclosures
- Skip Tracing
- Garnishments
- Policies of the CU
- Repossessions
- Right-to-cure standard

### **Finance**

#### **General Ledger**

- Basics
- Setting up accounts
- Posting account
- Reconciliation
- Trial balance sheet

#### **Regulations**

- Regulation D
- Regulation CC
- Truth-in-Savings

#### **Share Drafts**

- Processing
- Returned checks
- Draft clearing

#### **Payroll**

- Employee timesheets
- Processing of payroll

#### **Other**

- Accruals and pre-paids

**Other**

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**Reports**

Reg D report to Fed  
Income and Expense

**Other**

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Accounts payable/receivable  
ACH Network  
ATM processing  
Audits of vault  
Bank statement balancing  
Cash letters confirmed  
Change funds balanced  
Electronic funds transfer  
Government forms  
Journal vouchers reviewed  
Monthly depreciation  
Negative share processing  
Payroll deduction posting  
Records retention  
Vendor balancing

**Marketing****Marketing Strategies**

Assessing need for marketing program  
Developing marketing program  
Designing form to solicit information  
from members

**Marketing Credit Union Services**

Identifying types of new services desired  
Highlighting current services

**Marketing Methodologies**

Internet  
E-mail surveys  
Interviews with members  
Flyers  
Publications  
Focus groups  
News articles  
Sample “trinkets” such as key fobs

**Information Technology****Computerized Reports Design**

Spreadsheets  
Databases  
Financial reports  
Trends in member borrowing, etc.

**Graphic Designs**

Flyers for marketing  
Publications for distribution  
Developing a website

**Newsletter**

Assessing need  
Designing format

**Computer Usage**

Training staff to more fully  
utilize a computer  
Training staff on existing software  
Training staff on new software  
Developing users’ guides  
Modifying and updating users’  
guides

**Correspondence**

Designing form letters  
Establishing address database  
Establishing files for labels  
Establishing and monitoring  
e-mail  
Training staff on usage  
Determining circulation